

Economist Arjen Alberts in webinar:

"We don't need more tourists"

By Hilbert Haar

GREAT BAY - "We don't need more tourists. We need better tourists," economist Arjen Alberts said yesterday during a webinar hosted by Romy Calmera, the chairman of the Dutch Caribbean Economists Association. The webinar was followed by viewers in the Netherlands, Haiti, Curaçao and Sint Maarten, where the complete economy class of St. Dominic High School followed the event on a large screen.

The webinar was dedicated to Albert's study that focuses on the question why tourism does not lead to higher labor productivity. Today published an article about this study on January 5. Alberts is a Ph. D. candidate at the University of Amsterdam. The peer-reviewed British journal *International Development Planning Review* (IDPR) published his extensive article about this topic. Yesterday, Alberts elaborated on the issue in terms that are easy to understand.

The study looked at developments in Aruba and St. Maarten. "These are small island tourism economies and they both are always in the top-five in terms of the intensity of the tourism development," Alberts said

from behind a laptop stationed at the Philipsburg Jubilee Library.

The labor productivity question ought to matter to decision makers, Alberts said. "You see the tourism economy growing, but at the same time you see immigration at a high pace. Therefore, that growth has to be shared. If GDP grows by 5 percent but the population grows at the same pace you are actually at a standstill; we are not getting wealthier per capita. You grow in volume, but you don't produce more per worker."

The main conclusion of Alberts study is "worrysome" he said during the webinar. "Labor productivity did not increase since the establishment of the tourism economy in St. Maarten. Some people got wealthier, but on average, people did not."

The tourism-economy model was successful in one respect, but not successful enough, Alberts added. "There was success in terms of the creation of employment for the wider Caribbean and in terms of marketing. On the other hand: the islands have limited space and they are not using it intensively enough. Instead we have done the opposite in St. Maarten: more hotels, using more space, creating crowdedness, instead of using the available space in a more



Economist Arjen Alberts during yesterday's webinar. Photo screenshot

money-yielding way."

On the business level it is necessary to look at the supply chain, Alberts said. "Most of the hotel-needs are imported, but you want to offer more entertainment and more activities for tourists. You don't want more tourists, you want a higher yield per tourist at the moment, those numbers are actually dropping."

From every dollar earned, the econo-

Continued on page 2

"We don't need more tourists"...

... From page 1...

mist pointed out, 80 percent leaves the island for the import of goods and services. "That percentage must be brought down."

What the industry ought to focus on is experiences instead of more of the same. "You

want to create a memorable experience. Back in the day Mullet Bay offered this; Mullet Bay was St. Maarten, but those days are gone. To create a coherent memorable experience parties - public and private - have to work together. Aruba is slightly better at this than St. Maarten though Aruba is also coasting along."

Alberts said that there is a lot to be gained in the field of services. "St. Maarten could be a regional hub for services, instead of an importer of those services. Why don't we offer electrical vehicles for rent to tourists? Why don't we reduce the import of expensive fuel?" When Calmera asked for an example of an island that does get a better yield per tourist, the answer was about a place right next door to St. Maarten: Anguilla.

"They have built a few very expensive hotels and they generate a lot of income from it."

They employ locals, sprinkles with a few immigrants. The labor productivity has in-

creased there." Another example is Dominica, an island that thrives on eco-tourism. "There are no examples of islands who converted from mass-tourism back to exclusive," Alberts said.

"But something can be done: St. Maarten should not go further down the road it is currently on."

They will slowly have to expand the experience." Right now, St. Maarten is heading in the wrong direction.

"The island is not different from other tourism-economies," Alberts says. "Unfortunately, the focus is mostly on marketing for marketing's sake and the objective is to get as many tourists to the island as possible. It is a short-term approach."

You want to go to strategy, an overall view of where the island wants to go is lacking."

The way the tourism-economy has developed so far, is based on the laissez-faire attitude of the government,

Continued on page 3

"We don't need more tourists"...

... From page 2...

the economist observes. "The businesses have shaped the industry and the government just let it happen. We don't manage the type of investments we need."

We don't need more investments in more of what we already have, we need investments in the quality of what we have. We have to ask ourselves, where do we want to be in ten years? And then we have to start working towards that goal.

The focus has to be on investments that add to the positive experience. That way you add economic value."

Getting back to the import of services, Alberts said that local entrepreneurs have to start producing what the hotels need.

The government has to back up the development towards higher quality tourism with

"Everything depends on it," Alberts says. "Improve vocational education, we need skills, an approach of lifelong learning. You cannot do the added value thing if your people are not qualified."

He presents a vivid example of how St. Maarten ought to change its ways: "We have focused too much on producing five roses and selling them for a dollar each, while we should focus on producing one rose and sell it for five dollars."

The emphasis on quality is driven by something the island does not have in endless supply: space.

There is therefore an end to the possible growth in absolute numbers. "We have been running very fast while we actually have been standing still," Alberts observes. If there is an investment option that would attract more tourists,

don't need more tourists, we need better tourists and we need to make more money from the tourists we already have."

While there is a need for better tourists, St. Maarten is currently going in the opposite direction, Alberts notes. He refers to price dumping in the cruise industry, something Today reported about on Wednesday.

"They are caught in the straightjacket of short-term thinking. But somebody has to take the long-term view," Alberts said. "We are at the end of what we are able to achieve and we cannot go further down that road. We have to become unique, because if you are unique, you don't have to compete that much. If you all offer the same thing, you have to compete on price - that is the only thing that